(d) At present, a sum of Rs. 4,000 crore is estimated as disinvestment proceeds for 2004-2005. The disinvestment revenue will be used for specified social sector schemes.

Education Cess

733. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is proposed to levy a 2 per cent education cess on the Central taxes for financing part of the educational expenses;

(b) if so, the details thereof; and

(c) the steps proposed to be taken to ensure that money collected by the cess does not get amalgamated into the Consolidated Fund of India and be spent on general expenses of the country instead of being spent for the educational purposes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) So far as direct taxes are concerned, clause 2(11) of the Finance (No. 2) Bill, 2004 proposes to levy an additional surcharge for purposes of the Union, to be called the "Education Cess on income-tax" calculated at the rate of 2% of the income-tax, inclusive of surcharge. The additional surcharge of 2% is proposed to be levied on the tax deducted or advance-tax paid during the financial year.

As regards indirect taxes, education cess is also proposed to be levied at the rate of 2% of:

(i) the duties of excise levied on the goods manufactured or produced and specified in the first Schedule to the Central Excise Tariff Act under clause 81 read with clause 83 of Finance (No. 2) Bill, 2004 1985 which has come into immediate effect by virtue of declaration under the Provisional Collection of Taxes Act, 1931.

(ii) the duties of Customs levied on the goods imported and specified in the First Schedule to the Customs Tariff Act, 1975, under clause 81 read with clause 83 of Finance (No. 2) Bill, 2004 1985 which has come into immediate effect by virtue of declaration under the Provisional Collection of Taxes Act, 1931.

(iii) the tax levied on the taxable services under Section 66 of the

Finance Act, 1994 with effect from the enactment of the Finance (No. 2) Bill, 2004 under clause 81-85 of Finance (No. 2) Bill, 2004 1985.

(c) As per article 266 of the Constitution, all revenues received by the Government of India is to form part of the Consolidated Fund of India. Thus the Education Cess will form part of the Consolidated Fund of India. The amount collected as Education Cess will be earmarked for education which will include providing a nutritious cooked mid-day meal.

NPAs of Punjab & Sind Bank

734. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that gross Non-Performing Assets of Punjab & Sind Bank have increased in the last fiscal year;

(b) if so, the details thereof;

(c) whether it is also a fact that a large number of cases are not settled as compared to other Banks, whose NPAs have declined due to early settlements; and

(d) if so, what steps are being taken to immediately settle the cases of those who are willing to pay as per Bank or RBI's guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. Gross non-performing assets (NPAs) of Punjab & Sind Bank have declined from Rs. 1246.89 crores as on 31.03.2003 to Rs. 1203.51 crores as on 31.03.2004.

(b) and (d) Do not arise.

(c) Punjab & Sind Bank has settled 1843 NPA cases amounting to Rs. 142.85 crores during the year 2003-04 and is in continuous process of settling the cases as per RBI/Bank's recovery policy. Other banks are also following directions of RBI and their own bank's recovery policies to settle the case. The position of different banks may not be comparable due to variation in their recovery policies and preferences.